

EXHIBIT Y

From: Robert Ladd
Sent: Fri 4/26/2013 8:46 AM (GMT-05:00)
To: John@lemak.net; mgman@bullhunterllc.com; ARBerger@gmail.com; Jillys12@aol.com; ymilgrom@lhfin.com; bajarest@gmail.com; RLow16@gmail.com; operations@bankgutenberg.ch; brhonig@aol.com; sshah@hudsonbaycapital.com; yroth@hudsonbaycapital.com; stetson.john@gmail.com; jsilverman@icfunds.com; Rich Abbe
Cc: Robert Traversa; Reginald Averilla; Arthur Marcus; Jay Kaplowitz
Bcc:
Subject: Offer Notice for MGT \$3.85 Warrants
Attachments: Warrant notice of ex.pdf; warrant exchange letter.pdf; Exchange Agreement April 2013.pdf

To the Holders of the Company's \$3.85 Common Stock Purchase Warrants:

Please review the attached letter and Agreement closely.



Robert B. Ladd CFA
President and CEO
500 Mamaroneck Avenue – Suite 204
Harrison, NY 10528

(914) 630-7430 office
(914) 643-6855 cell

AIM: laddcap

NOTICE OF EXERCISE

TO: MGT Capital Investments, Inc.
500 Mamaroneck Avenue, Suite 204
Harrison, NY 10528
Attn: President
Tel: (____) ____-____
Fax: (____) ____-____

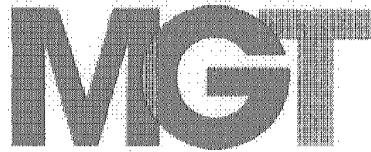
(1) The undersigned hereby elects to purchase _____ shares of Warrant Stock of the Company pursuant to the terms of the attached Warrant to Purchase Common Stock, and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

- in lawful money of the United States; or
- if permitted, the cancellation of _____ shares of Warrant Stock in order to exercise this Warrant with respect to _____ shares of Warrant Stock (using a VWAP of \$____ for this calculation), in accordance with the formula and procedure set forth in subsection 1(c).
- if permitted, the cancellation of such number of shares of Warrant Stock as is necessary, in accordance with the formula and procedure set forth in subsection 1(c), to exercise this Warrant with respect to the maximum number of shares of Warrant Stock purchasable pursuant to a cashless exercise.

(3) Please issue a certificate or certificates representing said shares of Warrant Stock in the name of the undersigned or in such other name as is specified below:

The shares of Warrant Stock shall be delivered to the following DWAC Account Number, if permitted, or by physical delivery of a certificate to:



To the Holders of the Company's \$3.85 Common Stock Purchase Warrants:

The Company is offering to the holders (the "Holders") of the Company's \$3.85, 5 year Common Stock Purchase Warrants issued in connection with the sale of the Company's 6% Series A Cumulative Preferred Stock (the "Warrants") an opportunity to exercise the Warrants held by each Holder on a cash basis until 5:00pm EDT, May 3, 2013. In the event that you exercise a Warrant, you will have the right to exchange (the "Exchange") up to two additional warrants owned by you (the "Remaining Warrants"), into common stock on the basis of 5/8ths of one share of the Company's Common Stock for each Remaining Warrants exchanged. For example, a Holder who owns 999 Warrants can exercise 333 Warrants and then have the right to Exchange his 666 Remaining Warrants for 416 Shares of Common Stock. The exchange of the Remaining Warrants for shares of Common Stock will be made pursuant to the attached exchange agreement (the "Exchange Agreement"). You will have 20 business days to determine if you want to participate in the Exchange and to the number of Remaining Warrants that you would like to Exchange.

SHARES OF COMMON STOCK ISSUED IN THE EXCHANGE OF THE REMAINING WARRANTS WILL BE RESTRICTED SHARES FOR WHICH THE HOLDING PERIOD WILL BEGIN UPON THE EXCHANGE.

Participation is strictly voluntary. A Notice of Exercise is attached for your convenience. Should you have any questions with respect to the foregoing, please contact Robert Traversa, the Company's Chief Financial Officer pursuant to the contact information set forth below.

MGT CAPITAL INVESTMENTS, INC.

By:


Robert Ladd, President and Chief Executive Officer

MGT CAPITAL INVESTMENTS, INC.
500 Mamaroneck Avenue Suite 204 Harrison, NY 10528
Tel: (914) 630-7431 email: rtraversa@mgtci.com web: www.mgtci.com